

Message Text

UNCLASSIFIED

PAGE 01 ALGIER 01014 201754Z
ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 EB-08 /019 W
-----210032Z 029065 /20
R 201605Z APR 77
FM AMEMBASSY ALGIERS
TO SECSTATE WASHDC 6311

UNCLAS ALGIERS 1014

E.O. 11652: N/A
TAGS: BFOL, AG
SUBJECT: OBR: MARKETING IN ALGERIA

REF: STATE 85083

1. EMBASSY HAS VERY LITTLE FIRM INFORMATION REGARDING
THIRD DEVELOPMENT PLAN. PERHAPS BEST CONCISE STATE-
MENT TO DATE IS CONTAINED IN LATEST "QUARTERLY ECONO-
MIC REVIEW OF ALGERIA", PUBLISHED BY THE ECONOMIST
INTELLIGENCE UNIT LTD. ALTHOUGH WE DOUBT THAT COPY-
RIGHT LAWS WOULD PERMIT OBR REPEAT VERBATIM, WE QUOTE
ENTIRE EIU SECTION ON NEXT PLAN:

"DURING THE NEXT FEW MONTHS THE ADMINISTRATION WILL
BE PUTTING THE FINISHING TOUCHES TO THE NEW 1978-
1981 FOUR YEAR DEVELOPMENT PLAN. THE INVESTMENT
TARGET WILL REMAIN AT 40 PERCENT OF GDP, AND THE
PRIMARY OBJECTIVE WILL STILL BE TO PROVIDE A SOUND
INDUSTRIAL BASE BY 1981. MAJOR PROJECTS INCLUDED
IN THE PLAN WILL BE THE COMPLETION OF THE ARZEW
AND SIKKDA GAS LIQUEFACTION PLANTS CURRENTLY UNDER
CONSTRUCTION; THE BETHOUIA PORT PROJECT; COMPLETION
OF THE EL HADJAR STEEL WORKS, AND THE CONSTRUCTION
OF A NEW 10 MN TONS A YEAR COMPLEX NEAR ORAN, PRO-
BABLY AT MACTAT; AND THE DEVELOPMENT OF SEVERAL
NEW MINES, NOTABLY THOSE AT GAR AL-JEBILET WHERE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ALGIER 01014 201754Z

THERE ARE IMPORTANT DEPOSITS OF IRON ORE. IN ADDI-
TION, RESOURCES WILL BE ALLOCATED TO THE AGRICUL-
TURAL SECTOR TO IMPROVE IRRIGATION AND HELP REDUCE
DEPENDENCE ON IMPORTS OF FOODSTUFFS FROM
ABROAD. OVERALL, THE TARGET ANNUAL GROWTH RATE
IS LIKELY TO BE SET AT 10 PERCENT."

2. EMBASSY DOES NOT REALLY BELIEVE "US INVESTMENT" AS CONVENTIONALLY DEFINED, MEANINGFUL PHRASE FOR ALGERIA. AS DEPT AWARE, FOREIGN DIRECT INVESTMENT IN ALGERIA IS NOT ENCOURAGED. TOTAL DIRECT US INVESTMENT PROBABLY LESS THAN \$100 MILLION, BUT THIS DOES NOT GIVE ACCURATE IMPRESSION OF "FINANCIAL STAKE". MORE THAN 70 US FIRMS HAVE CONTRACTS IN ALGERIA TOTALING MORE THAN \$6 BILLION. IN MANY CASES THESE FIRMS HAVE SUNK CONSIDERABLE MONEY, MANPOWER AND EQUIPMENT INTO PERFORMING THESE CONTRACTS YET THIS DOES NOT COUNT AS "INVESTMENT" AS NORMALLY DEFINED. US EXIMBANK TOTAL EXPOSURE, COUNTING OUTSTANDING PRELIMINARY COMMITMENTS, IN NEIGHBORHOOD OF \$1 BILLION. US PRIVATE BANKS AND FINANCIAL INSTITUTIONS' EXPOSURE IN ALGERIA ESTIMATED IN EXCESS OF \$1 BILLION. ALL THESE NUMBERS GIVE BETTER PICTURE OF US ECONOMIC AND COMMERCIAL ACTIVITY IN ALGERIA THAN THE LIMITED FIGURE FOR DIRECT INVESTMENT.

3. A. ELECTRICITY RATES VARY BY LOCATION (ALGERIA DIVIDED INTO SIX ZONES), BY USER CATEGORY AND FOR TIME USED. AS EXAMPLE, FOLLOWING RATES ARE FOR NORMAL CONSUMPTION FOR MEDIUM-SIZE TEXTILE PLANT IN ALGIERS AREA. RATES ARE IN DINARS.

DA 1 EQUALS 25 CENTS.

PEAK DA 0.1089 KWH
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ALGIER 01014 201754Z

WINTER NORMAL	DA 0.0783 KWH
WINTER OFF-HOURS	DA 0.0253 KWH
SUMMER NORMAL	DA 0.0504 KWH
SUMMER OFF-HOURS	DA 0.0187 KWH

THE FOLLOWING RATES ARE FOR THE ALGIERS REFINERY:
NORMAL CONSUMPTION, PEAK HOURS DA 0.0990 KWH
EXCESSIVE CONSUMPTION (NOT DEFINED) DA 0.25006 KWH
ELECTRIC CHARACTERISTICS: EITHER 100 OR 220 VOLTS, DEPENDING ON LOCATION; 50 CYCLES; 220 VOLT LINES FAIRLY STABLE; 110 VOLT LINES GENERALLY OVER-VOLTAGE, SOMETIMES AS HIGH AS 135 VOLTS.

3. B. GAS RATES IN ALGIERS AREA: DA 0.01 PER THERMIE.

4. A. SAMPLE ROAD FRIEHTGT RATES: FROM ALGIER TO ORAN (435 KM), SHIPMENT OF 10 TONS - DA 1206.10; SHIPMENT OF 20 TONS - DA 1608.00.

4. B. SAMPLE AIR-FREIGHT RATES: FROM ALGIERS TO EITHER
ORAN OR CONSTANTINE, LESS THAN 250 KG - DA 0.60
PER KILO; MORE THAN 250 KG - DA 0.45 PER KILO.
FOR EACH AIR FREIGHT SHIPMENT THERE TAX OF
DA 24.30.LYNE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ALGIER01014
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770137-1126
Format: TEL
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770440/aaaabigh.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7ea82aa2-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 85083
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2757453
Secure: OPEN
Status: NATIVE
Subject: OBR: MARKETING IN ALGERIA
TAGS: BFOL, AG
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/7ea82aa2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009